



December 6, 2011

Jocelyn Boyd, Esq.
Chief Clerk/Administrator
Public Service Commission of South Carolina
101 Executive Center Dr., Suite 100
Columbia, SC 29210

Re: Termination of Residential Service – Home Advantage Program
SCPSC Docket No. 2009-190-E

Dear Mrs. Boyd:

In accordance with the Public Service Commission of South Carolina's ("Commission") June 26, 2009 Order No. 2009-373 issued in Docket No. 2008-251-E, Carolina Power and Light Company, d/b/a Progress Energy Carolinas, Inc. ("PEC") requests Commission approval to terminate its Residential Service – Home Advantage Program Experimental Tariff, RHAP-2. The Residential Home Advantage Program Experimental ("RHAP") Program was approved on an experimental basis by the Commission in its June 26, 2009 Order No. 2009-374 issued in Docket No. 2009-190-E. In order for a customer to receive an incentive for a new residential structure under the RHAP program, the new structure must achieve an ENERGY STAR® certification.

The ENERGY STAR® for Homes Program is the basis for the RHAP Program and has been in transition since April 2011, with significantly more-stringent program requirements becoming effective on January 1, 2012. These changes to the ENERGY STAR® certification standards now cause the RHAP program to no longer be cost effective. Thus, PEC requests permission to terminate the RHAP program, effective March 1, 2012.

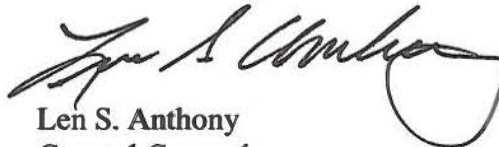
PEC requests Commission approval to terminate the RHAP Program on March 1, 2012. PEC will continue to provide rebates for qualified homes that receive building permits before March 1, 2012 provided the application, supporting documentation, and the ENERGY STAR® Certificate are provided to PEC within six months of the dwelling's completion (meter set date). In any event, applications for incentives provided under the RHAP will not be accepted after February 28, 2013.

Any residual costs, unamortized deferrals and unrecovered incentives associated with the RHAP Program will be incorporated into subsequent DSM/EE cost recovery submissions filed pursuant to Order No. 2009-374 in Docket No. 2008-251-E.

PEC is currently evaluating various measures and program options that may be pursued in order to provide cost-effective, energy saving opportunities in new construction dwellings. Any identified cost-effective opportunities will be submitted for the Commission's consideration at some time subsequent to the Commission's approval of this request.

PEC respectfully requests Commission approval of the attached revised Residential Service – Home Advantage Experimental Program Tariff, RHAP-4 which provides for the orderly termination of PEC's existing Residential Home Advantage Program.

Very truly yours,

A handwritten signature in black ink, appearing to read "Len S. Anthony", with a large, stylized loop at the end.

Len S. Anthony
General Counsel
Progress Energy Carolinas, Inc.

LSA:mhm

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EXPERIMENTAL

RESIDENTIAL SERVICE HOME ADVANTAGE PROGRAM RHAP-4

PURPOSE

The purpose of this program is to offer incentives to construct residential dwellings meeting Energy Star qualification with a high efficiency air conditioner or heat pump with a minimum 14 Seasonal Energy Efficiency Rating (SEER). This program is only available to a dwelling issued a building permit before March 1, 2012. Participants must apply for incentive payments within 6 months from the date electric service is first energized, but no later than February 28, 2013.

AVAILABILITY

The program is available to a builder of new residential housing, or a manufacturer and sales lot owner of new manufactured housing which will be served under any of Company's residential schedules. The dwelling must achieve an Energy Star Certification which must include a high efficiency air conditioner or heat pump with a minimum 14 SEER.

INCENTIVE PAYMENTS

Single-Family & Multi-Family Dwellings

Builder shall complete and submit an application, including supporting documentation and a copy of the Energy Star certificate. Upon Company's approval of the application for the installation of qualifying construction or other measures, builder shall receive an incentive payment as follows:

<u>Energy Conservation Measure</u>	<u>Incentive Payment</u>	<u>Eligibility Requirement¹</u>
1. Building Construction	\$400	Energy Star Certification
2. HVAC Upgrade: ²		Requires minimum efficiency rating:
Air-to-Air Heat Pump	\$300	Minimum 15 SEER
Central Air Conditioning	\$300	Minimum 15 SEER
Geothermal Heat Pump	\$600	Minimum 17 EER
3. Cooperative Advertising	\$50/dwelling, not to exceed 50% of cost	Public promotions for Energy Star construction

¹ High-rise multi-family units (greater than three stories) not currently eligible for Energy Star may receive these incentives provided all dwelling units meet the Energy Star builder option package for the climate zone and install air conditioners or heat pumps with a minimum 14 SEER.

² Maximum of two HVAC units per dwelling will be eligible for the incentive.

Manufactured Housing

The manufactured housing sales lot owner shall complete and submit an application, including supporting documentation and a copy of the Energy Star certificate. Upon Company's approval of the application for the installation of qualifying construction or other measures, the manufacturer and sales lot owner shall receive an incentive payment as follows:

<u>Energy Conservation Measure</u>	<u>Incentive Payment</u>	<u>Eligibility Requirement</u>
1. Building Construction	\$300	Energy Star Certification
2. Sales Lot Incentive	\$100	Energy Star Certification
3. HVAC Upgrade: ¹		Requires minimum efficiency rating:
Air-to-Air Heat Pump	\$300	Minimum 15 SEER
Central Air Conditioning	\$300	Minimum 15 SEER
Geothermal Heat Pump	\$600	Minimum 17 EER
4. Cooperative Advertising	\$50/dwelling, not to exceed 50% of cost	Public promotions for Energy Star construction

¹ Maximum of two HVAC units per dwelling will be eligible for the incentive.

RESPONSIBILITY OF PARTIES

The Energy Star Certification must be verified by a qualified Home Energy Rating System (HERS) rater recognized by the Energy Star Program administered by US Department of Energy & US Environmental Protection Agency.

CONTRACT TERM

The builder, manufacturer, or sales lot owner, or their designated representative, shall complete and submit an application, supporting documentation, and the Energy Star Certificate within 6 months of completion of the dwelling (meter set date). Incentive application forms received after 6 months will not be subject to an incentive payment.

All dwellings receiving incentives shall be subject to inspection by Company for the purpose of program evaluation, measurement, and verification.

GENERAL

Service rendered under this Program is subject to the provisions of the Service Regulations of the Company on file with the state regulatory commission.

Effective for service rendered on and after March 1, 2011

SCPSC Docket No. 2009-190- E, Order No. _____